

FISCAL NOTE

Bill #: SB72

Title: Uniform distribution of motor vehicle revenue to highway account

Primary Sponsor: Bill Glaser

Status: Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
Revenue:		
General Fund	\$(21,473)	\$(43,589)
District Courts	\$340,574	\$691,365
Highway Account	\$565,177	\$1,147,309
University 6-mill	\$(1,265)	\$(2,569)
Assumption 9-mill	\$(1,071)	\$(2,173)
Local Governments	\$(881,942)	\$(1,790,343)
Net Impact on General Fund Balance:	\$(21,473)	\$(43,589)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
X		Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached	X		Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

(continued)

- Table 1 below shows the current law distribution of the fee in lieu of taxes to the accounts/funds for watercrafts, snowmobiles, OHV's, motor homes, motorcycles/quadracycles, heavy vehicles, trailers, travel trailers, and campers. Additionally, Table 1 shows the distribution of the registration flat fee for light vehicles.

Table 1 Current Law Distribution									
VEHICLES	Highway Account	District Courts	DofAg. SSRA	FWP SSRA	Univ. 6-mill	Assump. 9-mill	GF 95-mills	GF 1.5-mills	Local Gov Mills
Watercrafts	No	No	No	20% ¹ /No	Yes	Yes	Yes	Yes	Yes
Snowmobiles	No	No	No	No	Yes	Yes	Yes	Yes	Yes
OHV's	No	No	\$1/vehicle	No	Yes	Yes	Yes	Yes	Yes
Motorhomes	New Only	No	No	No	Yes	Yes	Yes	Yes	Yes
Motorcycles/Quads	New Only	No	No	No	No	No	No	Yes	Yes
Heavy Vehicles	New Only	No	No	No	Yes	Yes	Yes	Yes	Yes
Trailers	No	No	No	No	Yes	Yes	Yes	Yes	Yes
Travel Trailers	No	No	No	No	Yes	Yes	Yes	Yes	Yes
Campers	No	No	No	No	Yes	Yes	Yes	Yes	Yes
LIGHT VEHICLES	New Only	10%	No	No	No	No	No	Yes	Yes

¹FWP receives 20% of FILT's on Watercrafts through FY2002.

- Table 2 below shows the proposed law distribution of the fee in lieu of taxes to the accounts/funds for watercrafts, snowmobiles, OHV's, motor homes, motorcycles/quadracycles, heavy vehicles, trailers, travel trailers, and campers. Additionally, Table 2 shows the distribution of the registration flat fee for light vehicles.

Table 2 Proposed Law Distribution									
VEHICLES	Highway Account	District Courts	DofAg. SSRA	FWP SSRA	Univ. 6-mill	Assump. 9-mill	GF 95-mills	GF 1.5-mills	Local Gov Mills
Watercrafts	12.1%	No	No	20% ¹ /No	Yes	Yes	Yes	Yes	Yes
Snowmobiles	12.1%	No	No	No	Yes	Yes	Yes	Yes	Yes
OHV's	12.1%	No	\$1/vehicle	No	Yes	Yes	Yes	Yes	Yes
Motorhomes	12.1%	No	No	No	Yes	Yes	Yes	Yes	Yes
Motorcycles/Quads	12.1%	No	No	No	No	No	No	Yes	Yes
Heavy Vehicles	12.1%	No	No	No	Yes	Yes	Yes	Yes	Yes
Trailers	12.1%	No	No	No	Yes	Yes	Yes	Yes	Yes
Travel Trailers	12.1%	No	No	No	Yes	Yes	Yes	Yes	Yes
Campers	12.1%	No	No	No	Yes	Yes	Yes	Yes	Yes
LIGHT VEHICLES	12.1%	10%	No	No	No	No	No	Yes	Yes

¹FWP receives 20% of FILT's on Watercrafts through the first half of FY2002.

- Under this proposal, 12.1% of the amount collected from the light vehicle registration flat fee and the fee in lieu of tax on all vehicle types is deposited in the highway state special revenue account. Under this proposed change in distribution there will be revenue *decreases* to the **general fund** of \$21,473 in fiscal 2002, and \$43,589 in fiscal 2003; to the **university system 6-mill account** of \$1,265 in fiscal 2002, and

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\$2,569 in fiscal 2003; to the **state assumption of welfare 9-mill account** of \$1,071 in fiscal 2002, and \$2,173 in fiscal 2003; and to **local governments** of \$881,942 in fiscal 2002, and \$1,790,343 in fiscal 2003; There will be revenue *increases* for **district courts** of \$340,574 in fiscal 2002, and \$691,365 in fiscal 2003; and to the **highway state special revenue account** of \$565,177 in fiscal 2002, and \$1,147,309 in fiscal 2003. Table 3 below shows the revenue impacts under this proposal by account/fund.

Table 3 Revenue Impacts Under this Proposal						
Year	Highway Account	District Courts	Univ. 6-mill	Assump. 9-mill	General Fund	Local Gov Mills
FY02	\$ 565,177	\$ 340,574	\$ (1,265)	\$ (1,071)	\$ (21,473)	\$ (881,942)
FY03	\$ 1,147,309	\$ 691,365	\$ (2,569)	\$ (2,173)	\$ (43,589)	\$ (1,790,343)

- The above impacts in assumption three are calculated using a 1.5% annual growth rate per vehicle. The calendar year 2000 motor vehicle database is used as the base year in making the calculations in assumption three.
- District courts receive more funding under this proposal than under current law. Under current law, the light vehicle registration fee paid by “newly manufactured” vehicles goes entirely to the highway special revenue account. District courts receive 10% of registration fees paid on vehicles other than newly manufactured vehicles. Under the proposal, district courts will receive 10% of *all* light vehicle registration fees.

FISCAL IMPACT:

	FY2002 Difference	FY2003 Difference
<u>Revenues:</u>		
General Fund (01)	\$(21,473)	\$(43,589)
District Courts (02)	\$340,574	\$691,365
Highway Account (03)	\$565,177	\$1,147,309
University 6-mill (04)	\$(1,265)	\$(2,569)
Assumption 9-mill (05)	\$(1,071)	\$(2,173)
Local Governments (06)	\$(881,942)	\$(1,790,343)

Net Impact to Fund Balance (Revenue minus Expenditure):

General Fund (01)	\$(21,473)	\$(43,589)
District Courts (02)	\$340,574	\$691,365
Highway Account (03)	\$565,177	\$1,147,309
University 6-mill (04)	\$(1,265)	\$(2,569)
Assumption 9-mill (05)	\$(1,071)	\$(2,173)
Local Governments (06)	\$(881,942)	\$(1,790,343)

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EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Under this proposal local governments revenue will decrease by \$881,942 in fiscal 2002 and \$1,790,343 in fiscal 2003.

LONG-RANGE IMPACTS:

Under this proposal, the state general fund, the university system 6-mill account, the state assumption of public assistance 9-mill account, and local government accounts will see a decrease in revenue as noted in assumption 3. The district courts and the highway state special revenue account will see an increase in revenue as noted in assumption 3.